New Frontiers In Foreign Aid

Last Sunday WNEW-TV's "Prospects of Mankind" carried a discussion of the future of our foreign aid programs under the new Administration. Panel members were Under Secretary of State Chester Bowles; Paul Hoffman, former Marshall Plan administrator now serving as managing director of the UN Special Fund; Barbara Ward, British economist and writer; B. K. Nehru, India's Commissioner General for Economic Affairs, and Max Millikan, director of the Center for International Studies at MIT. Mrs. Eleanor Roosevelt was the moderator. Excerpts from the discussion follow:

MRS. ROOSEVELT: I think I will address my first question to you, Mr. Hoffman, because you conducted the first successful foreign aid venture in the Marshall Plan, and we would like to know what lessons we can learn that we can now apply to aid in underdeveloped countries, and what do you think are the major differences?

HOFFMAN: The difference between a program of recovery and a development program, I think, can be contained in two key words. In a recovery program, the key word is 'restore.' You're trying to restore conditions that once existed.

A Chance to Choose

In a development program, you're trying to create —you must create conditions that never have existed.

ROOSEVELT: Mr. Bowles, in what way do you think that the new foreign aid policies change the way we've done things in the past?

BOWLES: The new program, I think, is different in several ways. Number one, we're trying to more clearly define exactly what we're trying to do. And I think that is trying to give people a freedom of choice. We're not trying to make them satellites or win their votes. We're going to simply give them the opportunity to freely choose the future they'd like to have.

[redacted] We've learned [redacted]

throughout the world; sensitive people want to do something about it.

The second is the commercial one. Unless you have developing markets, what are all these enormously developed countries going to do? How long are they going to go on supplying gadgets and superfluities to their own people, without fulfilling the real demands of the world?

And the third is the political motivation, because I think it is in the interest of all of us to have a socially and politically stable world society.

Aid should be motivated by all three factors.

MILLIKAN: A great deal of the time we hear the comment that we have permitted political factors to interfere with the effective implementation of our aid programs. Secretary Bowles is in a position of responsibility for the political policy of the U. S., and I'd like to ask him how he sees this emphasis on economic and social development relating over the next decade to the kinds of crises that may confront us.

BOWLES: As people develop a sense of partnership in their own growth and a sense of belonging, greater justice, land reforms and all the rest, that gives them a feeling of a real stake in the future of their country. They have something to defend that they feel strongly about.

Obviously this helps create a strong political situation and is a source of strength for all free countries. And I think this is terribly important, to realize this as our long-term objective.

But sometimes you have to do things that are expedient. The only thing I hope we'll do when we do expedient things—and surely we will do them—is put a little tag on them saying we did this for ex-

erts and individual little bits and pieces of the problem here and there.

This seems to me to be a very important new element in the program.

One of the characteristics of the underdeveloped societies at the early stages of growth is that they need almost everything.

And therefore there's a tendency, if you go at it in a piecemeal fashion, that anything that you pick up is going to be something that you're going to think is worth doing in some sense.

Now the real problem is that what you need to do every time you're considering any project in an underdeveloped country is to compare—to say, is this the most important thing to do with the very scarce resources, not only that we have from outside but that the country itself has?"

And we have, for reasons that I don't fully understand, I think rather discouraged a good many countries from trying to take a systematic overall look. There's been a feeling that this was planning in some sense and that planning was socialistic and that therefore this was against the free enterprise spirit.

'The Weakest Element'

We would never have had a budget bureau in the U. S. if we'd followed this practice, or a Council of Economic Advisers. And every big corporation has, of course, its forward planning unit, which simply is trying to make common sense decisions about what it is most important to do first.

It seems to me it's a failure to take that kind of look at the priorities in countries which has been the weakest element in our program so far.

ROOSEVELT: Perhaps we need a little more research in our own country and perhaps in all the countries to make our own people understand more about the areas of the world and the people and the conditions, so that when we present our programs we can make people understand better.

MILLIKAN: Well, of course, you touch me on a very tender nerve. As an academic, I can hardly speak against research of any kind, but I do feel quite genuinely that in this business of trying to understand this extraordinarily complex transition that the so-called traditional societies are going through in their